



# Comerget Customer Advisory Board Meeting

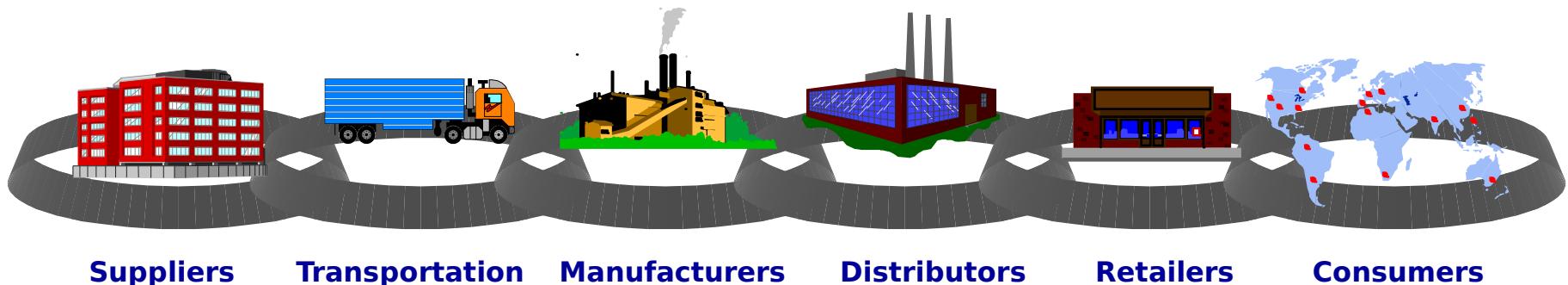
10 March 2004

Defense Logistics Agency, Directorate of Medical  
Materiel

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Defense Supply Center Philadelphia



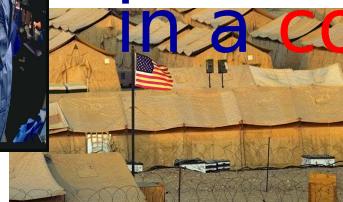
*Synchronizing the Federal Medical Supply Chain*



# Medical Mission



To increase the **combat readiness** of America's Fighting Forces by providing our soldiers, sailors, airmen, marines, and their families, and other customers worldwide the best possible customer response for medical supplies and equipment when and where needed, in a **cost effective** manner.





# Directorate of Medical Materiel



**67,000 NSNs  
<2,000 stocked  
264,000 PV items  
1 million + ECAT  
items**

**Average LRT = 2 Days**

## Total Inventory

FY 91  
\$629.1M

FY 03  
\$319.8M

8900+ Customers

**The Big Picture**

\*Incl \$56M In  
Southwest Asia

## Sales

|      |          |
|------|----------|
| FY01 | \$2.021B |
| FY02 | \$2.507B |
| FY03 | \$3.136B |

## Personnel

|                         | Military | Civilian |
|-------------------------|----------|----------|
| DSCP                    | 13*      | 283      |
| Field                   | —        | 1        |
| 284                     | 13       | —        |
| * 15 billets authorized |          |          |



# Our Customers

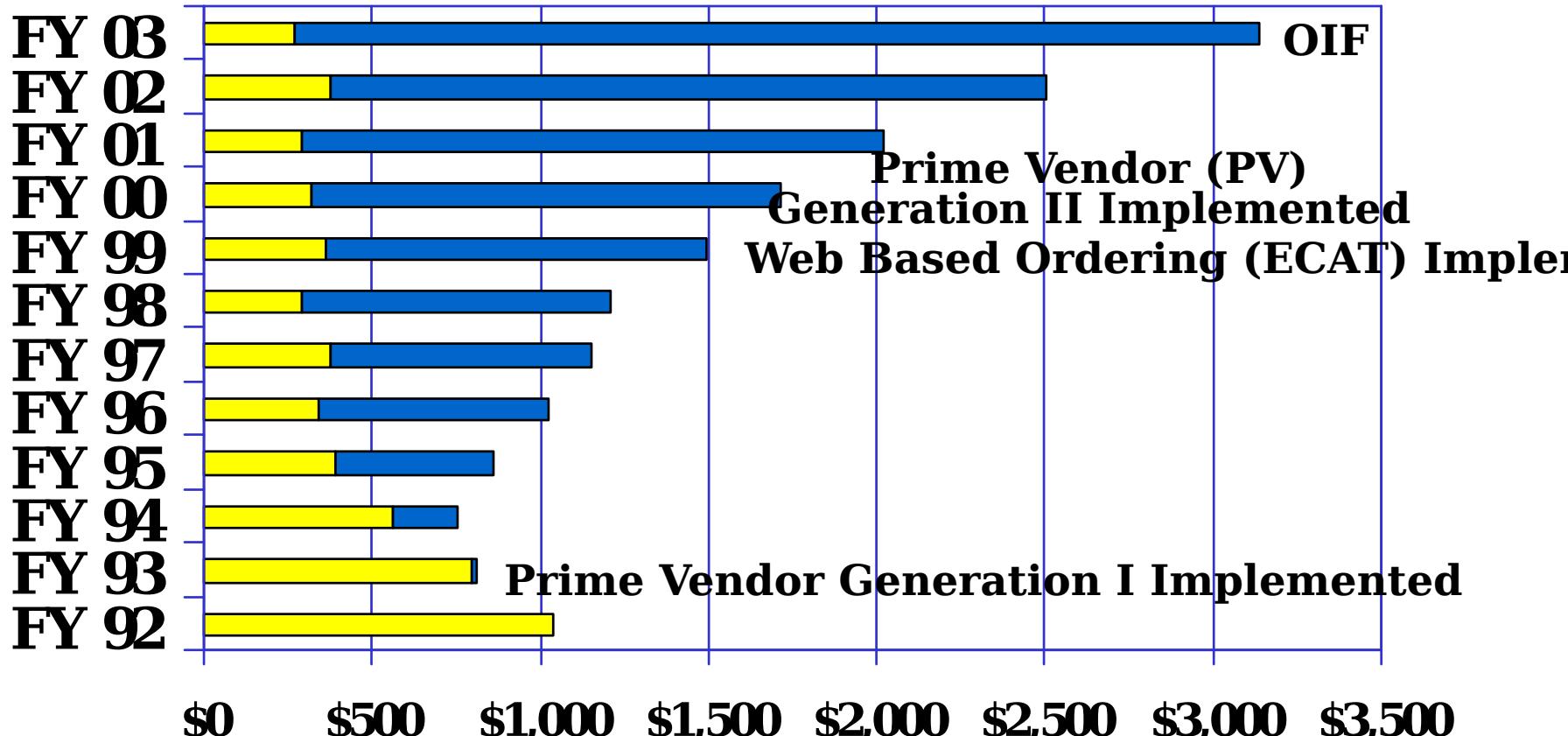


- Armed Services (Active Duty Members & Families)
  - 12 Medical Centers
  - 58 Hospitals/Medical Clinics
  - 130 Deployed and Deployable Combat Units
  - Navy Ships
- Retired Military and Families
- Other Federally Funded Hospitals
- Federal Agencies
  - Center for Disease Control
  - National Institute of Health
  - Public Health Service
  - Federal Laboratories





# Sales Performance



■ Traditional Support ■ Commercial Solutions\*

DLA Sales in \$Millions

\* PV, ECAT



# Data Synchronization

- What is Data Synchronization?
  - Establishment of standard data elements
    - Transaction-related
    - Med/Surg focused
    - Centrally-maintained – Product Data Utility (PDU)
  - Propagation of standard elements throughout systems

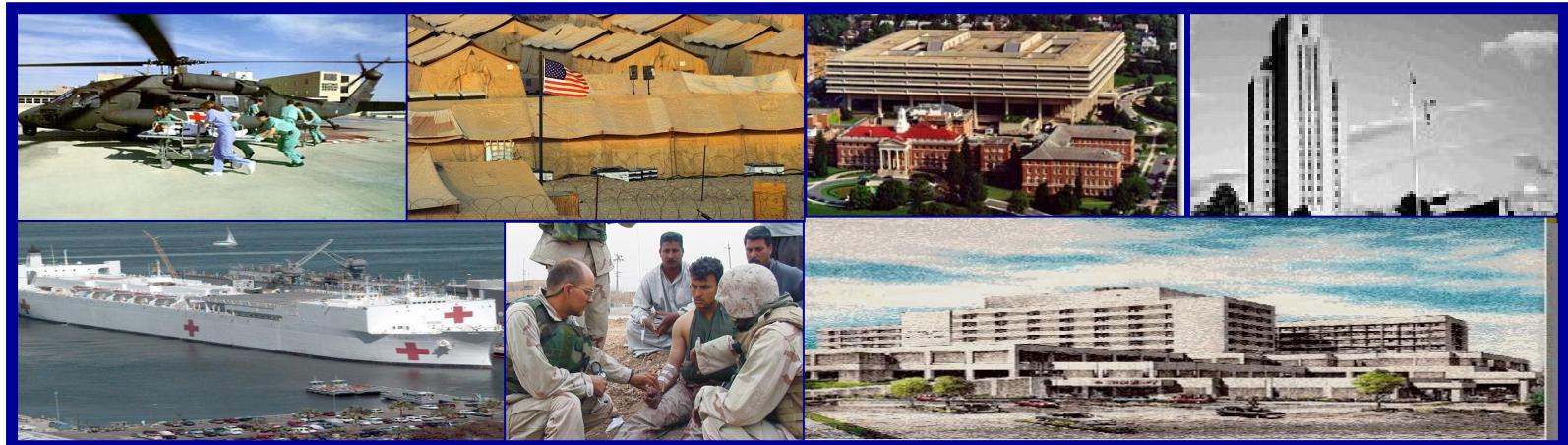




# Why Data Sync for DoD



- Improve Responsiveness for Contingency/Wartime Operations
- Improve Efficiencies in Peacetime Logistics Operations





# A Real-Life Example: *USS Comfort Hospital Ship Operation Iraqi Freedom*



- DSCP Was Given 7 Calendar Days (**3 ½ Business Days**) to Outfit a 1,000 bed Floating Hospital
- Medical/Surgical Items Ordered with Varying Descriptors, Identifiers, etc.
  - Many Undecipherable Product IDs
  - Many Obsolete Product IDs
- Resource-Intensive Cross-Referencing for Equivalents
- Common ID and/or Synchronized Data Would Have Increased Efficiency and Improved Response Times
- Unique to Med/Surg—NDC Made Pharm Process Easy



*USS Comfort*



# The Challenge in Supporting Military Forces



National Stock Number

6515-00-436-  
1881

Suture Removal  
Kit

## Primary Cross-Reference

- Manufacturer
- Part Number
- Description

Baxter 4650

## Acceptable Items

- Mfr. # 123
- Mfr. # xyz
- Mfr. # 549

- Why is DoD Challenged in Sourcing Items for Deploying Forces
  - New Items Entering Marketplace and Gaining Market Share
  - Obsolete Items Leaving Marketplace—Limited or Not Available
  - Changes in Part Numbers
  - Manufacturer Naming Disconnects
  - Part Number Disconnects
  - Packaging Disconnects



# Critical Data Elements for DoD Synchronization



- Manufacturer Name
- Standard Item Part Number
- Low Unit of Measure





# DoD Manufacturer Names for Kendall



| Mfg Name                      | # Mfg Items |
|-------------------------------|-------------|
| KENDAL HEALTHCARE PRODUCTS    | 1           |
| KENDAL LTP                    | 1           |
| KENDALL                       | 1           |
| KENDALL COMPANY               | 2           |
| KENDALL COMPANY LP            | 3340        |
| KENDALL HEALTHCARE            | 172         |
| KENDALL HEALTHCARE CO         | 43          |
| KENDALL HEALTHCARE COMPANY    | 4           |
| KENDALL HEALTHCARE PROD CO    | 38          |
| KENDALL HEALTHCARE PRODUCRS   | 1           |
| KENDALL HEALTHCARE PRODUCT CO | 2           |
| KENDALL HEALTHCARE PRODUCTS   | 222         |
| KENDALL LTP                   | 1           |
| THE KENDALL CO. LP            | 1           |
| THE KENDALL COMPANY LP        | 2502        |
| TYCO HEALTHCARE - KENDALL     | 7           |



# Industry Distributor Numbers for 3M Product #8630



|               |              |
|---------------|--------------|
| Allegiance    | - M8630      |
| Owens & Minor | - 4509008630 |
| BBMC-Colonial | - 045098630  |
| BBMC-Durr     | - 081048     |
| Kreisers      | - MINN8630   |
| Midwest       | - TM-8630    |
| Pacific       | - 3/M8630    |
| UnitedUMS     | - 001880     |



# Industry Unit of Measures



|     |         | DSCP*        |          | Prime Vendor 1 |          | Prime Vendor 2 |          |
|-----|---------|--------------|----------|----------------|----------|----------------|----------|
| Mfr | Part #  | Case SUP Qty | Case UOM | Case SUP Qty   | Case UOM | Case SUP Qty   | Case UOM |
| 3M  | 1222-1N | 18           | CA       | 1080           | CA       | 18             | CA       |
| 3M  | 512     | 100          | CA       | 2000           | CA       | 2000           | CA       |
| BD  | 305903  | 500          | CA       | 400            | CA       | 400            | CA       |

\* Data Entered by Manufacturer

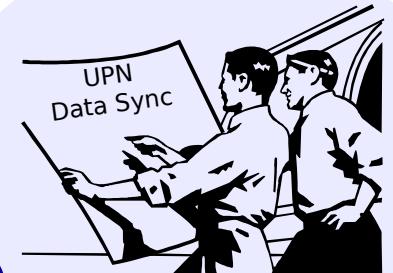
10% of Packaging Data Provided to DSCP  
by Manufacturers are Wrong or Incomplete



# Data Synchronization



- DoD Interest in Supply Chain Data Synchronization
  - UPN Initiative
- CHeS/HCEC Collaboration
  - Industry PDU Feasibility Study
- Industry-Wide Meeting
- DoD Pilot PDU
- Improved Efficiencies, Decreased Costs
- Lessons Learned from Other Industries (Retail, Electrical, Grocery, Automotive)

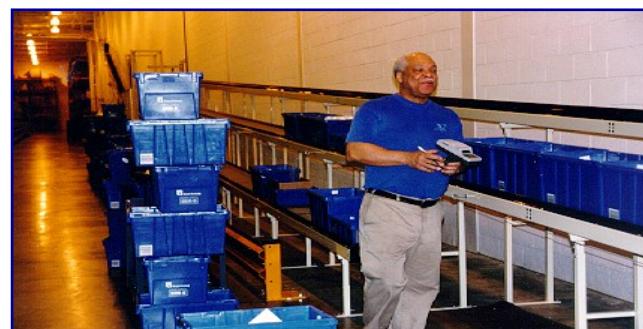




# CHeS/HCEC Led Industry Feasibility Study



- 3M
- AmeriNet
- BD
- Cardinal Health
- CHeS
- CooperGroup, LLC
- DoD
- GHX
- HCEC
- HealthLink
- Johnson & Johnson
- Methodist HealthSystem
- Novation
- Owens & Minor
- Premier
- Profile Systems
- St. Alexius Medical Center
- Tenet HealthSystem





# Our Current Industry Data Synchronization Partners



- Owens and Minor
- Cardinal (Allegiance)
- BD
- Premier
- Consorta
- Comergent





# Next Actionable Steps



- Gain Commitment/Consensus from Supply Chain Members
- Form PDU Implementation Organizing Committee
  - Seeking Members from Across the Supply Chain

